

INTRODUCTION

Michigan Public Health Institute (MPHI) entered into contracts #ADMIN-01-99028-5 and ADMIN-06-99028, with the Department of Human Services (DHS) to support local Child Death Review Teams throughout the State, a State Advisory Team, the State DHS Citizen's Review Panel, and local prevention efforts, and to ensure adequate training for all Team and designated DHS staff, implement Standard Statewide Investigative Protocols, link Child Death Review (CDR) to other state initiatives, establish a Child Mortality Surveillance System, and maintain status as a national model for CDR. These two contracts combined to cover the period October 1, 2004 through September 30, 2006. The first contract amount as amended was \$501,041.00 and the second contract was \$423,958.26. MPHI was reimbursed for the actual costs incurred in providing these services through submission of monthly billings to DHS.

SCOPE

The Office of Internal Audit performed an audit of the contracts with MPHI for the period October 1, 2005 through April 30, 2006. The purpose of our audit was to determine if the billings were accurate, and if the costs charged were allowable per the terms of the contract and properly supported by the accounting records and other documentation.

EXECUTIVE SUMMARY

Based on our audit, we concluded that the billings submitted by MPHI were accurate, except that some of the costs were billed in the wrong month. The following Schedule of Findings and Recommendations provides details of these charges. Since the total amount billed for the period of our audit was correct, our report recommends that the Children's Services Administration work with MPHI to ensure that costs are billed in the appropriate month in the future.

AGENCY RESPONSE

The draft report of this audit was mailed to the executive director of Michigan Public Health Institute on August 29, 2006. We received no response to the draft report.

FINDINGS AND RECOMMENDATIONS

Supplies

1. MPHI billed DHS \$996.46 in October for supplies purchased in November.

Transportation

2. MPHI billed DHS in October for vehicle insurance for coverage for the period September 17 to December 17. The total charge in October was \$594.50. The allowable expense on the October billing would be \$290.79, (\$200.32 for October (31 days) and \$90.47 for September (14 days). Because MPHI uses the accrual basis of accounting, insurance for November and December totaling \$303.71 should have been charged to the new contract in November and December.

Both of these findings are expenses that are legitimate expenses in the current fiscal year. Therefore, no dollar adjustment is necessary.

WE RECOMMEND that Children Services Administration instruct MPHI to comply with the contract and bill expenses in the correct month.